

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2015-163-E - ORDER NO. 2021-__

March __, 2021

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| IN RE: |) | |
| |) | |
| Application of Duke Energy Progress, |) | <i>Proposed</i> |
| LLC to Establish a New Cost |) | ORDER APPROVING PROPOSED |
| Recovery and Incentive Mechanism |) | MODIFICATIONS TO SMALL |
| for Demand-Side Management and |) | BUSINESS ENERGY SAVER PROGRAM |
| Energy Efficiency Programs |) | |
| _____ |) | |

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Application of Duke Energy Progress, LLC (the “Company” or “DEP”) for an order approving the Company’s request to modify its Small Business Energy Saver Program (the “SBES Program”), an energy efficiency program originally approved by the Commission through Order No. 2012-591.

The Company’s Request was filed on October 29, 2020, and the Company served its Application on the South Carolina Office of Regulatory Staff (“ORS”). ORS informed the Commission by correspondence dated November 13, 2020, that it had no objection to the request. On November 18, 2020, the Commission approved the Company’s Application.

I. Background

The SBES Program was proposed by the Company as an experimental energy efficiency program in Docket No. 2012-234-E and received the Commission’s approval through Order No. 2012-591. Eligibility for the program was expanded in 2016 through Order No. 2016-733 issued in Docket No. 2015-163-E. The purpose of the SBES Program, as explained by the Company, is

to reduce energy usage through the direct installation of energy efficiency measures in a non-residential segment of the market that does not take advantage of the Company's other non-residential energy efficiency programs. Participants in the SBES Program currently receive a free, no-obligation energy assessment of their facility, followed by a recommendation of energy efficiency measures along with the projected energy savings, costs of all materials and installation, and the up-front incentive amount from the Company. After receiving the results of the energy assessment, if the customer decides to move forward with the proposed energy efficiency project, the customer makes the final determination as to which measures will be installed. The measure installations are subsequently scheduled at a convenient time for the customer and performed by Company-authorized vendors.

II. The Application

To expand the SBES Program offering to more business customers who would benefit from the direct install, turn-key program model, the Company proposed to expand SBES Program availability to include all existing non-residential customer accounts, including those exceeding the current average annual demand limitation of 180 kW. Under the SmartPath™ option, eligible customers will choose from a published list of Company-authorized trade allies to perform an energy assessment at the eligible customer's facility at no charge to the customer. The Company-authorized trade ally will make recommendations for improved energy efficiency measures, produce a projected cost to complete the work, and may offer payment financing options. The trade ally will then install and commission the approved project.

DEP states that it believes the SBES Program expansion will significantly increase participation in the program and support the program's cost-effectiveness. DEP also states that

the proposed modifications to the SBES Program were introduced to and garnered support from stakeholders in the DSM/EE Collaborative.

In light of the program expansion, the Company also proposes to rename the “Small Business Energy Saver” program to the “Business Energy Saver” program as reflected in the tariff. The tariff modifications also include standard language permitting the Company to retain program benefits. *See* Order No. 2016-872 at 4, Docket No. 2013-298-E (Dec. 20, 2016); Order No. 2016-873 at 4, Docket No. 2015-163-E (Dec. 20, 2016). Upon Commission approval of these program modifications, the Company proposes to file a compliance tariff with the Commission’s E-Tariff System and continue to recover program costs through the Company’s energy efficiency and demand side management (“EE/DSM”) rates in accordance with the approved EE/DSM cost recovery mechanism.

III. Findings and Conclusions

S.C. Code Ann. § 58-37-20 provides as follows:

The South Carolina Public Service Commission may adopt procedures that encourage electrical utilities and public utilities providing gas services subject to the jurisdiction of the commission to invest in cost-effective energy efficient technologies and energy conservation programs. If adopted, these procedures must: provide incentives and cost recovery for energy suppliers and distributors who invest in energy supply and end-use technologies that are cost-effective, environmentally acceptable, and reduce energy consumption or demand; allow energy suppliers and distributors to recover costs and obtain a reasonable rate of return on their investment in qualified demand-side management programs sufficient to make these programs at least as financially attractive as construction of new generating facilities; require the Public Service Commission to establish rates and charges that ensure that the net income of an electrical or gas utility regulated by the commission after implementation of specific cost-effective energy conservation measures is at least as high as the net income would have been if the energy conservation measures had not been implemented. For purposes of this section only, the term “demand-side activity” means a program conducted by an electrical utility or public utility providing gas services for the reduction or more efficient use of energy requirements of the utility or its customers including, but not limited to, utility transmission and distribution system efficiency, customer

conservation and efficiency, load management, cogeneration, and renewable energy technologies.

On January 15, 2021, the Commission issued Order No. 2021-32 in Docket No. 2013-298-E, which approved certain modifications to the Company’s EE/DSM cost recovery mechanism. Section C of the EE/DSM cost recovery mechanism—which was attached in full to Order No. 2021-32 as a component of Order Exhibit No. 1—requires the Company to “file any substantial modifications to Commission-approved DSM/EE Programs with the Commission for its approval.” We find that the proposed program modifications, which are described herein, are just and reasonable and are consistent with the ends of S.C. Code Ann. § 58-37-20, which promotes the implementation of programs that “provide incentives and cost recovery for energy suppliers and distributors who invest in energy supply and end-use technologies that are cost-effective, environmentally acceptable, and reduce energy consumption or demand” S.C. Code Ann. § 58-37-20.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. ORS was properly served with the Application in this Docket and does not oppose the relief sought by the Company.
2. The proposed modifications to the Small Business Energy Saver Program are approved as just and reasonable.
3. The Company shall electronically file an updated rider reflecting the modifications proposed in its Application.
4. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:

Justin T. Williams, Chairman
Public Service Commission
South Carolina